

1 4. On September 26, 2021, at approximately 9:24 am, Cheng, Passport KJ0715039,
2 applied for admission at the Harry Reid International Airport, Las Vegas, Nevada, United
3 States, private terminal via private flight tail number N318LS from Hong Kong, China.

4 5. A Customs and Border Protection Officer (CBPO) and a CBP Agriculture
5 Specialist (CBPAS) met Cheng inside his plane.

6 6. Lee, Sheung Ying, Passport KJ0464519, offered to translate, and the CBPO made
7 sure both Cheng and Lee were comfortable with translating before proceeding with any
8 questions. The CBPO wanted to ensure Cheng understood what was being asked. Both Lee
9 and Cheng agreed Lee would translate English to Chinese and from Chinese to English. Lee
10 translated without hesitation or delay. Cheng acknowledged he understood what was being
11 translated by his staff member Lee.

12 7. The CBPO asked Cheng if he had over US \$10,000. Cheng declared he did not
13 have any currency and any form of monetary instruments over US \$10,000. Cheng's crew
14 staff member Lee, who was in the main cabin of the aircraft with Cheng, translated the
15 information.

16 8. The CBPO asked a second time if Cheng was bringing anything into the United
17 States to include currency or any form of monetary instruments over US \$10,000 that he
18 would like to declare because undeclared items and currency can be seized in accordance
19 with CBP laws and regulations.

20 9. Cheng stalled and again stated he did not bringing more than US \$10,000 into the
21 United States. Cheng declared he brought US \$7,000. Cheng pulled the currency from his
22 black handbag he was personally carrying and showed currency for the CBPO and the
23 CBPAS to see. The CBPO and the CBPAS continued to inspect the rest of the aircraft and
24 asked one of the pilots to stay behind while the aircraft inspection was completed.

25 10. During the aircraft inspection, the CBPO moved the black carry-on bag that was
26 in the back of the plane to the aisle area so it could be more visible. The CBPO noticed the
27 black carry-on bag was heavier than normal for this size luggage.

28 / / /

1 11. The CBPO proceeded to the CBP facility to conduct a secondary inspection.
2 Cheng properly filled out a CBP Customs Declaration form 6059B. Question 13 on the form
3 asks Cheng to declare currency or monetary instruments over the amount of US \$10,000 or
4 foreign equivalent and informs the traveler that there is further guidance and explanation as
5 to the definition of monetary instruments on the back of the form.

6 12. Cheng reviewed the back of form 6059B, filled it out, signed it, and submitted it
7 to CBPO Raymond Rodriguez.

8 13. The CBPO gave Cheng a CBP form 0503 (the currency reporting advisement in
9 English). Lee also translated and explained form 0503 to ensure Cheng fully understood
10 what Cheng would acknowledge and sign. Cheng signed the CBP form 0503, declaring he
11 only brought US \$7,000 into the United States.

12 14. The CBPO searched for, and found, a CBP form 0503 in Cheng's Chinese
13 language to ensure further understanding. The CBPO provided the CBP form 0503 in
14 simple Chinese to Cheng. Cheng again stated he was only bringing US \$7,000 U.S.
15 Currency and signed CBP form 0503 in Chinese. The CBPO advised Cheng that the CBPO
16 would verify his currency and inspect the luggage located inside the aircraft.

17 15. In Cheng's black carry-on bag that was left on the aircraft between the bed and
18 wall that separates the restroom, a white Dior box contained US \$260,000.

19 16. The CBPO asked Cheng if he knew undeclared currency was in the black carry-
20 on bag. Cheng admitted he owned the US \$260,000 and knew the currency was in the black
21 carry-on bag.

22 17. The CBPO requested the rest of the bags located in the cargo hold of the aircraft.
23 A Dolce & Gabbana box was found inside a red suitcase containing US \$1,000,000. An
24 extra US \$50,000 was loose inside the same box. Cheng admitted he withdrew the currency
25 in small increments US \$50,000 to US \$100,000 from a bank over time and withdrew US
26 \$1,000,000 at one time in September 2021. Cheng stated the withdrawals were from the
27 Bank of Communications in Hong Kong. He packed the currency in the boxes himself.

28 / / /

1 18. The CBPO seized the US \$1,317,828 for alleged bulk cash smuggling and failure
2 to report the currency. The denominations were as follows: 13,176 of US \$100 bills, 8 US
3 \$20 bills, 4 US \$10 bills, 3 US \$5 bills, and 13 US \$1 bills.

4 19. This Stipulation for Entry of Judgment of Forfeiture as to Kwanfei Chau
5 (Stipulation) shall not constitute an admission of liability, wrongdoing, or fault on the part
6 of Chau. She entered into this Stipulation to avoid costs, expenses, uncertainty, delay, and
7 inconvenience of protracted litigation. The United States and Chau reach a full and final
8 settlement in this Stipulation. Chau knowingly and voluntarily agrees to forfeit US \$370,500
9 of US \$1,317,828 to the United States in this civil judicial forfeiture.

10 20. Chau knowingly and voluntarily agrees to forfeit all possessory rights, ownership
11 rights, and all rights, titles, and interests in the US \$370,500 of the US \$1,317,828.

12 21. Chau knowingly and voluntarily agrees this Court will impose the forfeiture of
13 the US \$370,500 of the US \$1,317,828 in this civil forfeiture case.

14 22. Chau knowingly and voluntarily agrees to waive her right to any civil judicial
15 forfeiture proceedings (proceedings) concerning the US \$1,317,828.

16 23. Chau knowingly and voluntarily agrees to waive service of process of all
17 documents filed in this action and any proceedings concerning the US \$1,317,828 arising
18 from the facts and circumstances of this case.

19 24. Chau knowingly and voluntarily agrees to waive any further notice to her, her
20 agents, or her attorneys regarding the forfeiture and disposition of the US \$370,500 of the
21 US \$1,317,828.

22 25. Chau knowingly and voluntarily agrees not to file any claim, answer, petition,
23 and other documents in any proceedings concerning the US \$370,500 of the US \$1,317,828,
24 agrees not to contest, and agrees not to assist any other person and entity to contest, the
25 forfeiture of the US \$370,500 of the US \$1,317,828. Chau knowingly and voluntarily agrees
26 to withdraw immediately any claims, answers, counterclaims, petitions, and other
27 documents she filed in any proceeding concerning the US \$370,500 of the US \$1,317,828.

28 / / /

1 26. Chau knowingly and voluntarily agrees to waive laches, the statute of limitations,
2 the CAFRA requirements, Supplemental Rules for Admiralty or Maritime Claims and
3 Asset Forfeiture Actions A, C, E, and G, 18 U.S.C. § 983, and all constitutional, statutory,
4 legal equitable rights, defenses, and claims regarding the US \$1,317,828, in any proceedings,
5 including, but not limited to, double jeopardy and due process under the Fifth Amendment
6 to the United States Constitution.

7 27. Chau knowingly and voluntarily agrees to waive all constitutional, statutory,
8 legal, equitable rights, defenses, and claims regarding the US \$1,317,828, in any
9 proceedings, including, but not limited to, a jury trial under the Sixth Amendment to the
10 United States Constitution.

11 28. Chau knowingly and voluntarily agrees to waive all constitutional, statutory,
12 legal, equitable rights, defenses, and claims regarding the US \$1,317,828, including, but not
13 limited to, the excessive fines clause and the cruel and unusual punishments clause under
14 the Eighth Amendment to the United States Constitution.

15 29. Chau knowingly and voluntarily agrees the forfeiture of the US \$370,500 of the
16 US \$1,317,828 complies with *Honeycutt v. United States*, 581 U.S. 443 (2017); *United States v.*
17 *Thompson*, 990 F.3d 680 (9th Cir. 2021); and *United States v. Prasad*, 18 F.4th 313, 315, 319
18 (9th Cir. 2021); and knowingly and voluntarily agrees to waive all constitutional, statutory,
19 legal, equitable rights, defenses, and claims regarding the US \$370,500 of the US \$1,317,828
20 in any proceedings under *Honeycutt*, *Thompson*, and *Prasad*.

21 30. Chau knowingly and voluntarily agrees to the entry of a Judgment of Forfeiture
22 of US \$370,500 of the US \$1,317,828 to the United States.

23 31. Chau knowingly and voluntarily agrees to waive her right to appeal the forfeiture
24 of the US \$370,500 of the US \$1,317,828.

25 32. Chau understands the forfeiture of the US \$370,500 of the US \$1,317,828 shall
26 not be treated as satisfaction of any assessment, restitution, fine, cost of imprisonment, or
27 any other penalty that may be imposed.

28 / / /

1 33. Chau knowingly and voluntarily agrees to the conditions set forth in this
2 Stipulation.

3 34. Chau knowingly and voluntarily agrees to hold harmless the United States, the
4 United States Department of Justice; the United States Attorney's Office for the District of
5 Nevada; the United States Department of the Homeland Security; the Customs and Border
6 Protection; the Homeland Security Investigations, Las Vegas BEST-Airport Group; the
7 Department of United States Treasury; their agencies; their agents; and their employees
8 from any claim made by Chau or any third party arising out of the seizure of the US
9 \$1,317,828 and the forfeitures of the of the US \$370,500.

10 35. Chau knowingly and voluntarily releases and forever discharges the United
11 States, the United States Department of Justice; the United States Attorney's Office for the
12 District of Nevada; the United States Department of the Homeland Security; the Customs
13 and Border Protection; the Homeland Security Investigations, Las Vegas BEST-Airport
14 Group; the Department of United States Treasury; their agencies; their agents, their officers,
15 and their employees from any and all claims, rights, or causes of action of any kind that
16 Cheng now has or may hereafter have on account of, or in any way growing out of, the
17 seizure of the US \$1,317,828 and the forfeitures of the of the US \$370,500 in the civil
18 judicial forfeiture.

19 36. Chau knowingly and voluntarily acknowledges, understands, and agrees that (a)
20 federal law requires the Department of the United States Treasury and other disbursing
21 officials to offset federal payments to collect delinquent tax and non-tax debts owed to the
22 United States and to individual states (including past-due child support); (b) if an offset
23 occurs to the payment to be made under this Stipulation, they will receive a notification
24 from the Department of the United States Treasury at the last address provided by them to
25 the governmental agency or entity to whom the offset payment is made; (c) if they believe
26 the payment may be subject to an offset, they may contact the Treasury Department at 1-
27 800-304-3107; (d) the terms of this Stipulation do not affect the tax obligations fines,
28 penalties, or any other monetary obligations owed to the United States or an individual

1 state; and (e) the exact sum delivered to David Chesnoff and Richard Schonfeld, on behalf
2 of her may well be a lesser sum, if the Treasury Offset Program reduces the amount in
3 satisfaction of a debt obligation.

4 37. After the US \$370,500 of the US \$1,317,828 is forfeited in the civil case and the
5 United States District Court has signed the Stipulation concerning the property, within a
6 practicable time thereafter for the United States, the United States agrees to release to Chau
7 and Cheng one payment of US \$947,328 less any debt owed to the United States, any
8 agency of the United States, or any debt in which the United States is authorized to collect,
9 through David Chesnoff and Richard Schonfeld. Chau knowingly and voluntarily agrees to
10 fill out the Department of the United States Treasury Automated Clearing House (ACH)
11 form accurately and correctly and submit it to the United States Attorney's Office so the
12 payment of the money can be disbursed by electronic fund transfer. Chau knowingly and
13 voluntarily agrees the US \$947,328 may be offset by any debt owed to the United States,
14 any agency of the United States, or any debt in which the United States is authorized to
15 collect.

16 38. Each party acknowledges and warrants that its execution of the Stipulation is free
17 and is voluntary.

18 39. The Stipulation contains the entire agreement between the parties.

19 40. Except as expressly stated in the Stipulation, no party, officer, agent, employee,
20 representative, or attorney has made any statement or representation to any other party,
21 person, or entity regarding any fact relied upon in entering into the Stipulation, and no
22 party, officer, agent, employee, representative, or attorney relies on such statement or
23 representation in executing the Stipulation.

24 41. The persons signing the Stipulation warrant and represent that they have full
25 authority to execute the Stipulation and to bind the persons and/or entities, on whose
26 behalf they are signing, to the terms of the Stipulation.

27 42. This Stipulation shall be construed and interpreted according to federal forfeiture
28 law and federal common law. The jurisdiction and the venue for any dispute related to, and

1 or arising from, this Stipulation is the unofficial Southern Division of the United States
2 District Court for the District of Nevada, located in Las Vegas, Nevada.

3 43. Each party shall bear her or its own attorneys' fees, expenses, costs, and interest.


4 44. This Stipulation shall not be construed more strictly against one party than
5 against the other merely by virtue of the fact that it may have been prepared primarily by
6 counsel for one of the parties; it being recognized that both parties have contributed
7 substantially and materially to the preparation of this Stipulation.

8 IT IS HEREBY CERTIFIED, pursuant to 28 U.S.C. § 2465(a)(2), that there was
9 reasonable cause for the seizure of the US \$1,317,828 and the forfeiture of US \$370,500.

10 CHESNOFF & SCHONFELD

JASON M. FRIERSON
United States Attorney

11


12 
13 DAVID CHESNOFF
Counsel for Kwanfei Chau

DANIEL D. HOLLINGSWORTH
Assistant United States Attorney


14 DATED: 5/19/23

DATED: _____

15 CHESNOFF & SCHONFELD

16 
17 RICHARD SCHONFELD
Counsel for Kwanfei Chau

18 DATED: 5/19/23

19 
20 KWANFEI CHAU
21

22

23

24

25

26

27

28

IT IS SO ORDERED:

UNITED STATES DISTRICT JUDGE

DATED: _____

or arising from, this Stipulation is the unofficial Southern Division of the United States District Court for the District of Nevada, located in Las Vegas, Nevada.

43. Each party shall bear her or its own attorneys' fees, expenses, costs, and interest.

44. This Stipulation shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties; it being recognized that both parties have contributed substantially and materially to the preparation of this Stipulation.

IT IS HEREBY CERTIFIED, pursuant to 28 U.S.C. § 2465(a)(2), that there was reasonable cause for the seizure of the US \$1,317,828 and the forfeiture of US \$370,500.

CHESNOFF & SCHONFELD

JASON M. FRIERSON
United States Attorney

DANIEL
HOLLINGSWORTH

Digitally signed by DANIEL
HOLLINGSWORTH
Date: 2023.05.22 17:47:26 -07'00'

DAVID CHESNOFF
Counsel for Kwanfei Chau

DANIEL D. HOLLINGSWORTH
Assistant United States Attorney

DATED: _____

DATED: _____

CHESNOFF & SCHONFELD

RICHARD SCHONFELD
Counsel for Kwanfei Chau

DATED: _____

KWANFEI CHAU

IT IS SO ORDERED:



ANDREW P. GORDON
UNITED STATES DISTRICT JUDGE
2:22-cv-00098-APG-EJY

DATED: June 12, 2023